
SENATE BILL No. 443

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-20.6.

Synopsis: Property tax circuit breaker. Eliminates the 2% assessed value property tax circuit breaker credit after 2007. Provides a property tax credit equal to the amount by which a property taxpayer's property tax liability exceeds 102% of the property tax liability imposed in the preceding year. Corrects an incorrect reference to a date. Indicates that any reduction in collections due to the property tax credit does not relieve a political subdivision from the requirement of fully funding the payment of debt service or lease rentals. Makes other related changes.

Effective: January 1, 2007 (retroactive); July 1, 2007.

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January 11, 2007, read first time and referred to Committee on Tax and Fiscal Policy.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

SENATE BILL No. 443

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-20.6-6.5, AS ADDED BY P.L.162-2006,
2 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2007 (RETROACTIVE)]: Sec. 6.5. (a) This subsection
4 applies only to property taxes first due and payable after December 31,
5 2006, and before January 1, ~~2007~~, **2008**, attributable to qualified
6 residential property located in Lake County. A person is entitled to a
7 credit each calendar year under section 7(a) of this chapter against the
8 person's property tax liability for property taxes first due and payable
9 in that calendar year attributable to the person's qualified residential
10 property. However, the county fiscal body may, by ordinance adopted
11 before January 1, 2007, limit the application of the credit granted by
12 this subsection to homesteads.

13 (b) ~~This subsection applies only to property taxes first due and~~
14 ~~payable after December 31, 2007, and before January 1, 2010. A~~
15 ~~person is entitled to a credit each calendar year under section 7(a) of~~
16 ~~this chapter against the person's property tax liability for property taxes~~
17 ~~first due and payable in that calendar year attributable to the person's~~

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1 ~~qualified residential property.~~

2 ~~(c)~~ **(b)** This subsection applies only to property taxes first due and
3 payable after December 31, ~~2009~~: **2007**. A person is entitled to a credit
4 each calendar year under section 7(b) of this chapter against the
5 person's property tax liability for property taxes first due and payable
6 in that calendar year attributable to the person's real property and
7 personal property.

8 SECTION 2. IC 6-1.1-20.6-7, AS AMENDED BY P.L.162-2006,
9 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2007]: Sec. 7. (a) In the case of a credit authorized under
11 section 6 of this chapter or provided by section 6.5(a) ~~or 6.5(b)~~ of this
12 chapter for property taxes first due and payable in a calendar year:

13 (1) a person is entitled to a credit against the person's property tax
14 liability for property taxes first due and payable in that calendar
15 year attributable to the person's qualified residential property
16 located in the county; and

17 (2) the amount of the credit is the amount by which the person's
18 property tax liability attributable to the person's qualified
19 residential property for property taxes first due and payable in that
20 calendar year exceeds two percent (2%) of the gross assessed
21 value that is the basis for determination of property taxes on the
22 qualified residential property for property taxes first due and
23 payable in that calendar year.

24 (b) In the case of a credit provided by section ~~6.5(c)~~ **6.5(b)** of this
25 chapter for property taxes first due and payable in a calendar year:

26 (1) a person is entitled to a credit against the person's property tax
27 liability for property taxes first due and payable in that calendar
28 year attributable to the person's real property and personal
29 property located in the county; and

30 (2) the amount of the credit is the amount by which the person's
31 property tax liability attributable to the person's real property and
32 personal property for property taxes first due and payable in that
33 calendar year **for tangible property assessed to the person in**
34 **both the assessment date for that calendar year and the**
35 **immediately previous assessment date in the same taxing**
36 **district exceeds one hundred two percent (2%) (102%) of the**
37 **gross assessed value that is the basis for determination of property**
38 **taxes on the real property and personal property for property taxes**
39 **first due and payable in that calendar year: property tax liability**
40 **imposed on the tangible property in the immediately**
41 **preceding calendar year.**

42 (c) The department of local government finance may permit a

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1 county to use any formula that reaches the result determined under
 2 subsection (b). The department of local government finance may
 3 adopt rules under IC 4-22-2 or guidelines, or both, to implement
 4 this section.

5 SECTION 3. IC 6-1.1-20.6-9.5, AS ADDED BY P.L.162-2006,
 6 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2007]: Sec. 9.5. (a) This section applies only to credits under
 8 this chapter against property taxes first due and payable after December
 9 31, 2006.

10 (b) The application of the credit under this chapter results in a
 11 reduction of the property tax collections of each ~~political subdivision~~
 12 **taxing unit that levies a property tax in a taxing district to** which
 13 the credit is applied. A ~~political subdivision~~ **taxing unit** may not
 14 increase its property tax levy to make up for that reduction.

15 (c) The county auditor shall in each calendar year notify each
 16 ~~political subdivision~~ **taxing unit that levies a property tax in a taxing**
 17 **district to** which the credit under this chapter is applied of the
 18 reduction of property tax collections referred to in subsection (b) for
 19 the ~~political subdivision~~ **taxing unit** for that year.

20 (d) A ~~political subdivision~~ **taxing unit** may not borrow money to
 21 compensate the ~~political subdivision~~ **taxing unit** or any other ~~political~~
 22 ~~subdivision~~ **taxing unit** for the reduction of property tax collections
 23 referred to in subsection (b).

24 (e) **Taxing units are required by law to fully fund the payment**
 25 **of debt service or lease rentals in an amount sufficient to pay any**
 26 **debt service or lease rentals on outstanding obligations, regardless**
 27 **of any reduction in collections due to the application of tax credits**
 28 **granted under this chapter. Any reduction in collections must be**
 29 **applied to the other funds of the taxing unit after debt service or**
 30 **lease rentals have been fully funded. The department of local**
 31 **government finance shall enforce this subsection.**

32 SECTION 4. An emergency is declared for this act.

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